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PORGES, C. *Die Organisation einer Grossbank.* (Leipzig: C. E. Poeschel. 1911. Pp. viii, 123. 4 m.)

SCHWARZ, O. *Diskontpolitik. Gedanken über englische, französische und deutsche Bank- Kredit- und Goldpolitik. Eine vergleichende Studie.* (Leipzig: Duncker & Humblot. 1911. Pp. xi, 240. 6 m.)

SERVAIS, E. *Banques d'émission. Banques étrangerès. Banque de France. Banques coloniales.* (Paris: R. Laroche. 1911. Pp. 197.)

### Public Finance, Taxation, and Tariff

*A Treatise on the Federal Corporation Tax Law of 1909.* By ARTHUR W. MACHEN, JR. (Boston: Little, Brown and Company. 1910. Pp. xxv, 269. \$1.50.)

Mr. Machen is the author of one of the leading text books upon corporations, *The Modern Law of Corporations*, and is well fitted to write upon certain features of the federal corporation tax law. However, the book in question was published before the more important rulings of the Commissioner of Internal Revenue were promulgated, and on this account the principles laid down in the book, on the basis of legal decisions, fail in many cases to correspond with the more liberal interpretation which has been put upon the federal corporation tax law by the Commissioner of Internal Revenue.

For example, Mr. Machen states on page 46, paragraph 9, that under expenses actually paid, liabilities which have been incurred and not discharged, are not to be included. This is in conformity with the text of the corporation law, but is not in accord with the interpretation placed upon such expenses by the commissioner. Again, it is stated on page 68, that earning and income, while apparently used synonomously by Congress, are not identical in meaning. Income is said to include receipts from invested capital, whereas earnings is confined to profits in the transaction of business. The commissioner seems to incline to the view that the words may be used interchangeably and that the difference stated by Mr. Machen does not hold.

In treating of interest actually paid within the year, Mr. Machen, on page 77, states that the floating indebtedness should ordinarily be paid outright, principal and interest, out of income, payments made for that purpose being regarded as necessary operating expenses. It is apparent from the ruling of the commissioner

that only the actual interest and not the principal of any floating indebtedness may be deducted from the gross income.

The above examples are cited simply to show the wide variation which exists in the interpretation of the law by the commissioner and by the author of the text. In other particulars, however, the book is generally reliable and is a straightforward statement of the law, illustrated by a large number of cases which have been decided by the courts. The book is provided with an appendix, containing the text of the corporation tax law, the earlier internal revenue regulations, and a set of the blanks which are used by the various corporations in making up their returns. It is to be hoped that the author may revise those parts of the text which deviate from the rulings of the commissioner, in which case it would be not only a serviceable text, but one which would be an accurate statement of the law as administered by the treasury department.

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*History of Taxation in Iowa.* By JOHN E. BRINDLEY, Assistant Professor of Political Economy at the Iowa State College of Agriculture and Mechanic Arts. Two volumes. (Iowa City, Iowa: State Historical Society of Iowa. 1911. Pp. xvii, 493; ix, 476.)

Professor Brindley's volumes constitute a portion of the *Iowa Economic History Series* edited by Professor Shambaugh. The author has apparently made an exhaustive search of the material contained in legislation, judicial decisions, public documents and newspapers, and has supported the text not only by full references, but by copious extracts from the materials used, thereby adding greatly to the value of the work. The arrangement is topical, the history of the general property tax and each of the special forms of taxation being treated in separate chapters.

While it cannot perhaps be said that the study brings to light much that is new to anyone acquainted with the general history of state and local taxation in this country (unless it be the agitation in the pioneer days in favor of the single land tax for reasons substantially identical with those urged by Henry George, an agitation induced by the fact that much of the land was the property of non-residents), it constitutes the most complete history of taxation yet available for any state of the Union and materially in-